



# *Louisiana Housing Corporation*

The following resolution was offered by Board Member Michael L. Airhart and seconded by Board Vice-Chairman Malcolm Young, Jr.:

## **RESOLUTION**

**A resolution authorizing a material change to Holy Family Apartments located at 1512 Louisiana Avenue, Lafayette, Lafayette Parish, Louisiana 70501, involving (1) additional reservation of \$96,624.00 in 4% Low Income Housing Tax Credits (LIHTC), (2) the elimination of the community facility, (3) modification to recreational area, (4) elimination of interior improvements to the maintenance building; and providing for other matters in connection therewith.**

**WHEREAS**, the Louisiana Housing Corporation (the "Corporation") has been ordered and directed to act on behalf of the State of Louisiana (the "State") in applying for, implementing, allocating, and administering programs, grants and/or resources made available pursuant to Section 42 of the Internal Revenue Code (the LIHTC Program); and

**WHEREAS**, the taxpayer for Holy Family Apartments submitted a request (attached) involving an additional reservation of \$96,624.00 in 4% Low Income Housing Tax Credits (LIHTC), the elimination of the community facility, modification to recreational area and the elimination of interior improvements to the maintenance building due to unforeseen construction issues that substantially increased development costs; and

**WHEREAS**, the Qualified Allocation Plan identifies a material change as a Deletion or change of resident amenities and/or services such as activity centers, children centers, community centers, computer rooms, laundry rooms, etc., a change in the project's sources greater than 10% and any change that a reasonable man would determine to be a material change in the project; and

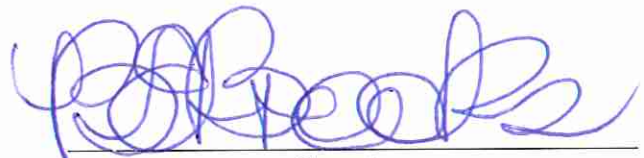
**WHEREAS**, the staff of the Corporation has processed the request for Holy Family Apartments in accordance with the Qualified Allocation Plan, based upon the review and the feasibility analysis of Foley & Judell, L.L.P., to recommend approval of the request for additional reservation of \$96,624.00 in 4% Low Income Housing Tax Credits (LIHTC), the elimination of the community facility, modification to recreational area and the elimination of interior improvements to the maintenance building.

**STATE OF LOUISIANA**

**PARISH OF EAST BATON ROUGE**

I, the undersigned Secretary of the Board of Directors of the Louisiana Housing Corporation (the "Corporation"), do hereby certify that the foregoing two (2) pages constitute a true and correct copy of a resolution adopted by said Board of Directors on November 25, 2015, "A resolution authorizing a material change to Holy Family Apartments involving (1) additional reservation of \$96,624.00 in 4% Low Income Housing Tax Credits (LIHTC), (2) the elimination of the community facility, (3) modification to recreational area, (4) elimination of interior improvements to the maintenance building; and providing for other matters in connection therewith".

**IN FAITH WHEREOF**, witness my official signature and the impress of the official seal of the Corporation on this, the 25<sup>th</sup> day of November, 2015.

  
Secretary

(SEAL)

**NOW THEREFORE, BE IT RESOLVED** by the Board of Directors of the Louisiana Housing Corporation, that:

**SECTION 1.** Holy Family Apartments' (the "Project") request for additional reservation of \$96,624.00 in 4% Low Income Housing Tax Credits (LIHTC), the elimination of the community facility, modification to recreational area and the elimination of interior improvements to the maintenance building, is hereby approved.

**SECTION 2.** The staff and counsel are authorized and directed to prepare the forms of such documents and agreements as may be necessary to implement the Board's action.

**SECTION 3.** The Chairman and Executive Director of the Corporation be and are hereby authorized, empowered and directed to execute any forms and/or documents required to be executed on behalf of and in the name of the Corporation, the terms of which are to be consistent with the provisions of this resolution as approved by counsel and LIHTC Program Counsel, Foley & Judell, L.L.P.

This resolution having been submitted to a vote, the vote thereon was as follows:

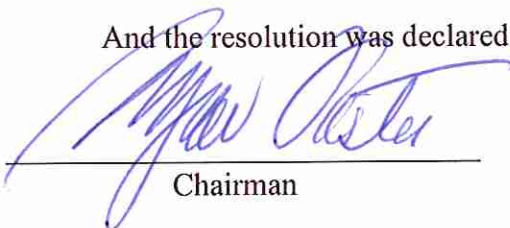
**YEAS:** Mayson H. Foster, Malcolm Young, Jr., Michael L. Airhart, Dr. Daryl V. Burckel, John N. Kennedy, Ellen M. Lee, Willie Spears.

**NAYS:** None.

**ABSENT:** Larry Ferdinand, Matthew P. Ritchie, Guy T. Williams, Jr.

**ABSTAIN:** None.

And the resolution was declared adopted on this, the 25<sup>th</sup> day of November 2015.

  
Chairman

  
Secretary



HOLY FAMILY LIMITED PARTNERHSIP  
1408 CARMEL DRIVE  
LAFAYETTE, LA 70501

October 12, 2015

Ms. Brenda Evans  
Program Administrator  
Louisiana Housing Corporation  
2415 Quail Drive  
Baton Rouge, Louisiana 70808

Ms. Marjorianna Willman  
Program Manager  
Louisiana Housing Corporation  
2415 Quail Drive  
Baton Rouge, Louisiana 70808

Mr. Louis Russell  
Executive Management Officer  
Louisiana Housing Corporation  
2415 Quail Drive  
Baton Rouge, Louisiana 70808

Re: **Holy Family Apartments, Lafayette, Louisiana;**  
**Request for LHC Approval of Reprocessing Application** – LHC ID # 2014-  
100BF; HUD Project Number 06435594; Section 8 Contract Number  
LA48L000087

Dear Ms. Evans, Willman and Mr. Russell:

*Introduction*

This Reprocessing Application includes a request for LHC approval of Change Orders in connection with this 160 unit Preservation and Substantial Rehabilitation project situated in Lafayette, Louisiana. Project financing was provided by 4% Low Income Housing Tax Credits, plus proceeds from a HUD 221(d)(4) loan, in addition to non-profit seller deferred financing and a partly deferred HUD Flexible Subsidy Loan.

The original Scope of Work called for some \$50,000 per unit Hard Rehab Costs, or \$7.9 Million, and included adding a fire sprinkler system, changing all windows and doors, kitchen and bathroom fixtures, adding hardi plank exterior trim, changing soffits, improving gutters and drainage, improving and adding recreational amenities and constructing a new community facility on previously open recreational space.

Out of an abundance of caution, Sponsor set aside more than 14% of this figure (or \$1.075 Million) to address Construction Cost Contingencies.

*Change Orders Causing Increasing Costs Beyond Contingency*

Upon construction commencement a number of items were discovered that have caused substantial cost increases. These increases were unforeseen and items that were required to be completed in order to achieve the goal of sustainability for this property. A detailed listing of these changes are included within the reprocessing application and on the attached change order log for the project but a few of the major issues are as follows:

- Removal and replacement of all interior sheetrock due to moisture damage discovered during construction;
- Installation of new insulation as the lack of such was discovered during construction;
- Full roof replacement, including decking due to discovery of roof failures during construction;
- Removal and replacement of all under slab sanitary sewer lines along with rehabilitation of site sanitary sewer system;

These items, along with many others, were not discovered by the independent due diligence efforts by the project sponsor, the HUD MAP Lender, HUD, the Syndicator nor any independent third party in the performance of PCNA reports and were completely unforeseen.

*Change Orders Proposed to Reduce Scope and Offset Some Cost Increases:  
Recreational Area, Maintenance Building, Community Facility*

In an effort to reduce the cost increases by these required items, the Sponsor's Reprocessing Application respectfully requests an allowed reduction in some of the scope originally intended.

*Recreational Improvements Reduction.* The rehabilitation plan originally called for two basketball courts with rims designed to accommodate two different age groups. The Sponsor respectfully requests permission to furnish one basketball court and to likewise reduce the scope of playground improvements. Specifically, the scope shown on page A-103 of the plans (see attached) will be amended as follows:

- Existing playground items to remain;
- Items 9,12,13,16,17,18,19,20,22 & 23 to be deleted;
- Existing playground to receive rubber mulch as opposed to sand;
- Left court on plan to remain, but improved with new goals, resurfacing, new striping and repaired fencing;
- Right court on plan to be deleted.



Even with this reduction in scope, the project *will still result in significant recreational improvements* given the previous disrepair of the basketball court, and hazards (e.g. drainage cave-ins, absence of rubber mulch) that previously characterized the playground area.

*Maintenance Building Improvements.* Second, we seek permission to eliminate the interior improvements originally envisioned for the Maintenance Building situated about 20 yards across the driveway from the management office and its two restrooms. Sufficient facilities have been provided in the management office to support this need.

*Community Facility Removal & Relocation.* Finally, whereas original plans called for a newly constructed community room with one bathroom containing some 700 square feet of interior space (1,200 total under roof), to offset some the costs noted above that are much more critical to the long-term viability of the development, we request permission to delete this new construction but not its amenities. The development will still add a community room, now with two bathrooms, but in a reconfigured section of an existing structure containing the on-site management office. While this feature was worth 2 points in our original 4% LIHTC application, this should not be an issue, as the 4% Tax Credits awarded to this project were non-competitive, and there was no minimum score requirement. Hence, approval of this request will prejudice no other developments.

#### *Net Effect of Change Orders*

The net effect of the proposed Change Orders is a projected increase in Hard Rehab Costs to \$12,164,748, including a \$300,000 reserve built in for additional contingencies. With the granting of the minor reductions in scope, this project's total development cost considerably exceeds its original budget. Those excess costs will be addressed by the following additional Sources: \$580,000 additional noncompetitive 4% LIHTC Tax Credit equity from the syndicator, \$750,000 additional HUD 221 (d)(4) loan financing, \$600,000 gap, soft financing committed by the non-profit Diocese of Lafayette, and deferred developer fees.

#### *Conclusion*

Given the extraordinary circumstances that have arisen in connection with our best faith efforts to substantially rehabilitate and thereby preserve the 160 unit Holy Family Apartments, we pray that LHC approve the accompanying Reprocessing Application and proposed reductions, and to grant this project any waivers that might be required to do so.

Sincerely,

Deacon Ed Boustany  
Director, Office of Community Development  
Diocese of Lafayette, Sponsor  
For Holy Family Apartments Preservation Rehab Project

Enclosures:

Change Order Log and HUD Approved Change Orders  
Revised Scope of Work for Recreational Areas  
Floor Plan of Proposed Community Facility  
Floor Plan of Proposed Maintenance Building